

# **Montana Renewable Resource Grant and Loan Program**

**Application Instructions and Forms  
for Governmental Entities**

**APPLICATION DEADLINE MAY 15, 2008**

**Department of Natural Resources and Conservation  
Resource Development Bureau  
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Helena, Montana 59620-1601**

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Web Page: <http://www.dnrc.mt.gov/cardd>**



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# The Renewable Resource Grant and Loan Program Instructions and Forms for Grant and Loan Applications

## General Information

The Montana Legislature established the Renewable Resource Grant and Loan Program (RRGL) to enhance Montana's renewable resources. The program is administered by the Resource Development Bureau of the Department of Natural Resources and Conservation (DNRC). This program is funded through earnings from certain natural resource-based taxes. Application forms in this booklet are for **governmental entities only**.

DNRC's Resource Development Bureau also administers other grant and loan funds that may be of interest to you or the group you represent. Grants are available to public entities under the Reclamation and Development Grants Program for projects that compensate Montana citizens for effects of exploration and mining on Montana lands or that serve public interest and the state of Montana. Loans for private individuals and associations are also available for **water-related** renewable resource projects. Loan applications are managed under a separate process from public entities and require a separate application. For information or applications, contact DNRC's Resource Development Bureau at (406) 444-6668.

## Public Facility Project Applications

Applicants for public facility projects (drinking water, wastewater, and solid waste projects) must submit the *Uniform Application for Montana Public Facility Projects* in lieu of Steps 1, 3, 4, and 6 of this application. Public facility project applicants must complete Step 2 (Proposal Abstract), Step 5 (Project Management Plan), and Step 7 (Resource and Citizen Benefits) of this application. A separate supplemental form containing Steps 2, 5, and Step 7 is available from DNRC.

## Submittal Information

Please include a digital copy of the application. Identify the software used and the names of all files. Applicants should submit **the unbound original and three (3) additional copies** of the application, including copies of all supporting documentation and a **\$250 application fee**, to:

Montana DNRC  
Resource Development Bureau  
P.O. Box 201601  
Helena, MT 59620-1601

Phone: (406) 444-6668

Fax: (406) 444-6721

Website: <http://www.dnrc.mt.gov/cardd>

(all applications available electronically on the DNRC website)

## Application Deadline

Application forms must be **hand delivered to DNRC or postmarked no later than May 15, 2008**. If you have questions, please contact our office at (406) 444-6668.

## Applicant Eligibility

### Grants and Loans for Governmental Entities

Eligible applicants include any division of state government, tribal government, or other county, city, or local political subdivision. These entities, called governmental entities, have included cities, towns, counties, county conservation districts, water and sewer districts, school districts, irrigation districts, joint boards of control, state agencies, and universities.

## Project Eligibility

The types of projects eligible for funding are specified in 85-1-602, Montana Code Annotated (MCA).

- [1] Either grants or loans may be provided to fund the following types of projects:*
- (a) feasibility, design, research, and resource assessment studies;*
  - (b) preparation of construction, rehabilitation, or production plans; and*
  - (c) construction, rehabilitation, production, education, or other implementation efforts.*

Renewable resource projects, including water conservation, water quality, forestry, air quality, resource education, waste management, and other renewable resource-related projects, are eligible to receive grant and loan funding. Projects must enhance the common well-being of Montanans through management activities that accomplish the conservation, development, or preservation of a targeted renewable resource. Projects that have received funding in the past include research and demonstration of improved farming practices, water conservation, resource planning studies and education, improved forest resource management, and development of better access to recreational opportunities. Other eligible projects have produced feasibility and design studies for renewable resource projects. Numerous community infrastructure projects for water supply, wastewater, and solid waste facilities have received funding under this program. Funding is available for both preliminary engineering/design and construction of these facilities.

Eligible water-related, renewable resource projects include projects to construct or repair works for the purpose of irrigation, flood prevention, drainage, or the supply of water for public, domestic, industrial, stock, fire protection, or other beneficial uses. Eligible projects also include those for the preservation or benefit of fish and wildlife; improvement of public, water-based recreational opportunities; and development of renewable energy projects.

The RRGL program funds watershed projects that protect and improve water quality. Projects that control erosion, restore riparian zones, and help plan for the management of surface water and groundwater sources, have received funding. Recreational projects that do not have resource benefits like municipal swimming pools or golf course developments are less likely to receive funding.

In addition to applicant qualifications and project type, to be eligible for funding, projects must also: be financially feasible, result in beneficial or nonsignificant environmental impacts, have an adequate

project management plan, be technically feasible, and result in identifiable resource or citizen benefits.

## **Funding Selection**

After grant applications are received, DNRC staff, with assistance from consultants, will review the applications and make recommendations. The DNRC director and the governor then review the recommendations. By January 2009, these recommendations will be finalized and submitted to the Montana Legislature for approval. Legislative authorization will be completed near the end of April 2009.

Successful applicants may execute Grant Agreements and Bond Purchase Agreements with DNRC after July 1, 2009. These agreements must be made before incurring expenses on the projects. Any expenses made before an executed grant agreement will NOT be reimbursable.

**For a complete discussion of the criteria for ranking grant applications, please see Application Ranking Criteria beginning on page 4.**

## **Funding Limitations**

### **Grants**

Funds are appropriated directly by the Legislature based on recommendations from DNRC. DNRC limits its grant funding recommendations to a maximum of \$100,000 for any one renewable resource project.

### **Loans**

DNRC does not put a specific limit on the recommended loan amount. The limit is essentially the maximum amount that can be borrowed by the local government and repaid. Local governments enter into debt by issuing bonds. The type of bond that needs to be issued depends on the type of local government and the source of revenue used to make the payments. There are basically two categories of bonds: Revenue bonds pledge the revenue of a system and are generated through rates and charges for the use of the system; in a tax-backed bond, the taxing authority of the local government is pledged as the source of repayment.

Drinking water and wastewater projects are encouraged to apply to the State's Revolving Fund (SRF) loan programs. These SRF loan programs are specifically designed to provide below-market interest rates for these types of systems. However, some renewable resource projects are not eligible for funding under the SRF programs. An example would be rehabilitation of an irrigation diversion dam. For these projects, the Renewable Resource Loan Program provides an excellent source of loan funds. If the applicant can demonstrate a high cost of water or other financial hardship, DNRC may recommend a below-market rate loan. The identified cost and financial hardship will be compared to other projects that have been funded by the RRGL program as well as those partially funded by other agencies. The amount of the subsidy depends on the specific RRGL need demonstrated by the borrower.

# **Renewable Grant Application Ranking Criteria**

As stated under Project Eligibility, projects must be: financially feasible, result in beneficial or nonsignificant environmental impacts, have an adequate project management plan, be technically feasible, and result in identifiable resource or citizen benefits. Projects are compared with each other and ranked on how well they meet these five eligibility requirements. Project ranking is most influenced by the extent to which the project would result in resource and citizen benefits. RRGL program applications are evaluated, scored, and ranked as described below.

## **1. Application Summary (no points)**

All applicants must complete this section.

## **2. Proposal Abstract (no points)**

The proposal abstract will be incorporated into the RRGL program's report to the Montana Legislature. It is important to provide accurate information that best describes the renewable resource benefits and other merits. The proposal abstract, DNRC ranking recommendations, and public testimony are the primary sources of information used by the Legislature to assess the merits of a project. The abstract should be no more than 300 words.

## **3. Financial Feasibility (-100 points)**

Financial feasibility is determined from information included in the application. DNRC evaluates the financial feasibility of the proposed project or study based on the budget submitted with the application, the affordability of the project to the users, and the feasibility of the proposed funding scenario. Deficiencies in the financial plan could result in the loss of up to 100 points.

## **4. Adverse Environmental Impact (-100 points)**

Each application includes an environmental evaluation prepared by the applicant or its consultant. In the case of public facility project applications, the environmental evaluation is part of the Uniform Application and is reflected in the Preliminary Engineering Report. Short-term impacts, including temporary construction impacts, should be addressed as well as long-term impacts, both positive and negative. Inadequately evaluating environmental impacts, or selecting alternatives resulting in adverse environmental impacts, could result in the loss of up to 100 points.

## **5. Project Management and Implementation (-100 points)**

Each application includes a project management and implementation plan. DNRC evaluates the plan to determine the adequacy of the applicant to manage or provide for management of the proposed project, including records management and grant and loan administration. Specific areas that will be evaluated include staffing and coordination, public involvement, and contract management (including the management of all grant agreements), contracts with consultants, and construction contracts. Past performance on DNRC contracts will also be evaluated. Deficiencies in project management and implementation could result in the loss of up to 100 points.



## 6. Technical Feasibility (400 points)

An outline for the Technical Narrative is included in Step 6. Technical Presentation of this application booklet. For public facility projects (sewer, water, or solid waste), the Uniform Preliminary Engineering Report for Montana Public Facility Projects outline contained in the Uniform Application for Montana Public Facility Projects provides the basis for the technical presentation. To facilitate the review of the Technical Narrative or Preliminary Engineering Report, it is recommended that the appropriate outline be followed to the greatest extent practicable. The Technical Narrative or, in the case of a public facility project application, Preliminary Engineering Report, provide DNRC with the information used to evaluate the technical feasibility of the proposed project and could result in the award of up to 400 points. Each application will be evaluated according to the following criteria:

**A. Compliance with the prescribed outline and required information.** It is not a requirement that the outline be followed line-by-line. However, it is a requirement that all of the items contained in the outline be addressed. If an item contained in the outline is not applicable to the project proposed, the rationale for that determination must be explained. To facilitate an accurate verification that the technical presentation is complete, follow the applicable outline as closely as possible.

**B. Adequacy of the alternative analysis.** Provide a description of each alternative, including environmental impacts and costs. The reasons for selecting the preferred alternative must be included in this analysis. It is recommended that a graphic comparison chart be provided clearly demonstrating the relative pros and cons of the various alternatives.

**C. Adequacy of cost estimates for potential alternatives and the preferred alternative.** To facilitate an adequate evaluation of the cost estimate, provide a cost estimate broken down into unit costs for the major items that comprise the project or study.

**D. Thoroughness and feasibility of the project's implementation schedule.** This information is most effectively presented in graphic form with a detailed explanation for each of the scheduled activities.

**E. The quality of supporting technical data submitted with the application.**

## 7. Resource and Citizen Benefits (600 Points)

As stated in 85-1-601, MCA, the purpose of the Renewable Resource Grant and Loan Program is to further the state's policies set forth in 85-1-101, MCA. The conservation, development, management, and preservation of water and other renewable resources are high priorities because a large portion of Montana's present and future economy is based either directly or indirectly on the wise use of these resources. Resource and citizen benefits of proposed projects are evaluated by DNRC and could result in the award of up to 600 points. Resource and citizen benefits associated with each application are evaluated on the basis of the following criteria:

**A. How the project would measurably enhance renewable resources in Montana through implementing one or more of the following management practices:**

Conservation (the efficient and/or sustainable use of a resource) Examples of projects that conserve renewable resources are: installation of new water meters to improve the efficiency

of water use and riparian reclamation to reduce soil erosion.

Development (new beneficial and sustainable use of a resource). Examples of projects that develop renewable resources are: increasing off-stream water storage capability, investment in the use of biomass for energy production, or improvements in a regional drinking water system.

Preservation (protection of a resource from pollution, destruction, or neglect). Examples of projects that preserve renewable resources are: a change in the use of agricultural chemicals or improvements in wastewater treatment to eliminate point sources of pollution to water resources.

**B. How the project would contribute to economic development in Montana or help existing businesses.** Examples of economic development improvements include renewable resource projects resulting in new, permanent jobs or contributing to business development.

**C. How a project designed to increase understanding of a renewable resource would benefit Montana citizens.** Examples include research into the presence of an aquifer suitable as a community drinking water source or an evaluation of the impact on stream bank erosion from various flow rates released at a dam spillway.

**D. How the project coordinates with ongoing or planned actions.** How does the project fit into an existing city or county growth plan, or support a watershed group's total maximum daily load plan?

**E. How the project benefits multiple uses.** An example of a project that benefits multiple uses is one that improves water use efficiency for irrigators, which results in higher instream flows and an improved fishery.

**F. Evidence of public support.** Public support can be documented through letters and e-mails from the general public, citizen's groups and governmental entities, and testimony at public meetings.

# Renewable Resource Grant and Loan Program

## Application Checklist

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☒ Be sure that each of the following items is included in your application. Applications are due no later than May 15, 2008.

☐ 1. Application Summary

☐ 2. Proposal Abstract

☐ 3. Financial Presentation

☐     a. Financial Documentation

☐     b. Budget Forms

☐     c. Applicant Affordability Data

☐ 4. Environmental Evaluation

☐ 5. Project Management Narrative

☐ 6. Technical Presentation

☐ 7. Resource and Citizen Benefits



# Step 1: Application Summary

(All applicants must complete this form)

1. **Name of Applicant(s)** \_\_\_\_\_
2. **Project Title** \_\_\_\_\_
3. **Federal Tax Identification Number** \_\_\_\_\_
4. **Type of Entity** \_\_\_\_\_  
(City, county, tribal government, district, other)
5. **Type of Project** \_\_\_\_\_  
(Irrigation, municipal water, groundwater study, etc.)
6. **Project Location** \_\_\_\_\_  
(Include a map of the project area and latitude/longitude coordinates)
7. **State Senate District** \_\_\_\_\_ **State House District** \_\_\_\_\_
8. **Population Served by Project** \_\_\_\_\_  
(if applicable)
9. **Number of Households Served by Project** \_\_\_\_\_  
(if applicable)
10. **Number of Farms or Ranches Served by Project** \_\_\_\_\_  
(if applicable)
11. **Number of Acres Served by Project** \_\_\_\_\_  
(if applicable)

**CHIEF ELECTED OFFICIAL OR AUTHORIZED REPRESENTATIVE:**

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail address)

**PROJECT ENGINEER/ARCHITECT:**

(Name of Engineer)

(Name of Firm)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail address)

**LEGAL COUNSEL:**

(Name)

(Name of Firm)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail address)

**CLERK/CHIEF FINANCIAL OFFICER:**

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail address)

**PRIMARY CONTACT PERSON:**

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail address)

**GRANT/LOAN ADMINISTRATOR:**

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail address)

**BOND COUNSEL:**

(Name)

(Title)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail address)

**ACCOUNTANT:**

(Name of Accountant)

(Name of Firm)

(Street/PO Box)

(City/State/Zip)

(Telephone) (FAX)

(E-Mail Address)

## Authorizing Statement

An authorized agent representing the applicant must, by his/her signature, indicate that the application for funds and expenditure of matching funds, as represented, is officially authorized.

### A. Grant Authorization

I hereby declare that the information included in and all attachments to this application are true, complete, and accurate to the best of my knowledge, and that the proposed project complies with all applicable state, local, and federal laws and regulations.

I further declare that, for \_\_\_\_\_ (Applicant Name), I am legally authorized to enter into a binding contract with the Department of Natural Resources and Conservation to obtain funding if this application is approved. I understand that all funds must be authorized by the Montana Legislature and that grant funds will become available only as Resource Indemnity Trust Fund interest is earned.

\_\_\_\_\_  
Applicant Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Representative (signature)

\_\_\_\_\_  
Title

### B. Loan Authorization

I hereby declare that the information included in and all attachments to this application are true, complete, and accurate to the best of my knowledge, and that the proposed project or activity complies with all applicable state, local, and federal laws and regulations.

I further declare that, for \_\_\_\_\_ (Applicant Name), I am legally authorized to enter into a binding contract with the Department of Natural Resources and Conservation to obtain loan financing if this application is approved. I understand that all funds must be authorized by the Montana Legislature, that loan funds will become available after the sale of state bonds, and that I will be expected to enter into a Bond Purchase Agreement when funding is available and according to my construction schedule.

\_\_\_\_\_  
Applicant Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Representative (signature)

\_\_\_\_\_  
Title





Enter the source and amount of all funding that may be used for this project. For each source, indicate the amount of funding in the appropriate column: grant, loan, or any other source including cash reserves. Total the amount for each source. Indicate all potential sources of funds that may apply to this project. The fact that you have not yet applied for the funds or have not yet received a commitment from the source does not matter. The total amount of the proposed funding may be greater than the estimated total project cost indicated below.

<b>Proposed Project Budget</b>		
<b>Funding Source</b>	<b>Amount</b>	<b>Committed/Uncommitted*</b>
RRGL Grant	\$	
	\$	
	\$	
	\$	
	\$	
<b>TOTAL</b>	\$	

\*Indicate whether funds are committed or uncommitted. Committed monies must have a written letter committing funds to the project.

**Estimated Total Project Cost \$**\_\_\_\_\_

If the project is a phased project or to be completed over a long period of time, please list all phases and sources of funding. For questions, please call DNRC.

<b>Phase/Date</b>	<b>Estimated Cost</b>	<b>Scope of Work</b>	<b>Funding Sources*</b>	

\* Provide a brief discussion of funding sources that you plan to utilize for each phase of the project. Discuss the status of each potential source.

## Step 2: Proposal Abstract

Prepare a clear and concise description of your proposal that describes how the merits of the project provide benefits that support the purpose of the Renewable Resource Grant and Loan Program. This proposal abstract will be used to inform the review team and the public of the range of proposals submitted. DNRC staff will edit the abstract for spelling and obvious grammatical errors only. Because it will be incorporated into the Renewable Resource Grant and Loan Program's Report to the Montana Legislature, provide accurate information in the abstract that best describes the renewable resource benefits and other merits that will be achieved. Legislative assessment of the benefits of each project will be based primarily on public testimony, this abstract, and ranking recommendations.

Your abstract should contain **no more than 300 words**. Longer abstracts will be returned to you for redevelopment.

**On your own paper, use the following format for your abstract.**

### Proposal Abstract

Submitted to Department of Natural Resources and Conservation

Applicant Name \_\_\_\_\_

Project Title \_\_\_\_\_

Project Description:

## Step 3: Financial Presentation

(Instructions, Outline, Budget Forms, and Affordability Data)

The Financial Presentation is a central component of a successful grant or loan application. The following section contains background information that you may find helpful in constructing your presentation:

- a suggested outline for your financial narrative;
- a list of financial documentation that you should submit with the application;
- budget forms for listing project expenses; and
- affordability data for those applicants who collect revenues through assessment of fees.

**To help you build a defensible budget, DNRC provides the following definitions of project-specific versus program costs.**

**Project-Specific Costs** are the only costs that DNRC will reimburse with grant and/or loan funds. Project-specific costs relate directly to the proposed project and will be incurred only if the project is implemented.

Project-specific costs are reimbursed through the following sources:

1. **Grant and Loan Dollars.** Funds contributed by DNRC through the Renewable Resource Grant and Loan Program.
2. **Matching Dollars.** Project-specific funds provided by the applicant or a grant or loan from another funding entity. DNRC will require the applicant to provide documentation of all matching expenditures.
3. **In-Kind Contributions.** Project-specific, non-dollar contributions with an associated monetary value. Volunteer labor, loaned equipment, donated materials, and free services are examples of legitimate in-kind contributions. DNRC will require the applicant to provide documentation of all in-kind contributions.

### **Project Costs vs. Program Costs**

DNRC reimburses only project-specific costs. Do not include program-related costs in the project budget. Program costs are those that pay for ongoing or general services and are not applied to a specific project. Project costs are those that will be incurred only by implementing the project described in this application.

Office rent is usually considered a program cost. For example, if a project sponsor currently rents office space and will allocate a portion of the office space to the proposed project, then the allocated portion of rent expense is a contribution of existing program costs and would not be eligible for reimbursement under the RRGL program. The cost is incurred whether or not the project is implemented. However, if you will need to rent additional office space to implement the project, that additional rental expense is a project cost. Regular staff salaries could be another example of a program cost. Salaries of existing fully funded staff positions are not considered in-kind contributions unless the work-hours associated with the effort expended on the project are accounted for.

## Instructions for Financial Narrative

The Financial Narrative must demonstrate clearly that the funding is available to complete the project and that the project can be completed within the proposed budget. The budget forms, following the narrative, **may not** be used in lieu of the Financial Narrative. Projects must be financially feasible to be eligible. Failure to submit adequate financial information will jeopardize your chance of receiving project funding.

The financial narrative must describe the use of funds committed to the project from DNRC and from matching funding sources. Do not include the costs for phases of construction completed before or after the term of a DNRC funding agreement. For example, if you have a multi-phase project to improve your community's water system over a 10-year period but now seek funding for a water tank, include only those costs associated with the tank. Do not include costs for work in progress or completed.

**On your own paper, use the following format to present your discussion.**

<p style="text-align: center;"><b>Financial Narrative</b></p> <p><b>Applicant Name</b> _____</p> <p><b>Project Title</b> _____</p> <p><b>Narrative Discussion:</b></p>
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## Outline for Financial Narrative

The outline for the Financial Narrative addresses the topics that DNRC will consider in the evaluation of the financial feasibility of your project. Structure your narrative accordingly. This outline is not all-inclusive; you may wish to address other topics.

### 1. Explain the total budget.

The narrative must explain the basis of the figures provided in the budget tables. Show how the amounts in each of the budget line items were calculated. For example, if the project budget identifies \$12,600 in material costs, provide the breakdown for all material costs (120 tons of gravel @ \$30 per ton = \$3,600 and 50,000 square feet of geotex material @ \$0.18 per square foot = \$9,000. Total material cost = \$12,600).

### **Contract Administration**

These costs include salaries, contracted services, and associated costs of planning and administering the proposed project. Identify the amount necessary to successfully manage the project. Express this amount as a percentage of total project cost. The applicant must demonstrate that these costs are project-specific above and beyond

general program costs. DNRC will reimburse only project-specific administration costs. University indirect costs for grant administration are not eligible for grant funding.

For the expenditure of RRGL grant funds, all grant recipients are required to comply with Montana contracting and procurement laws applicable to state agencies, counties, and municipalities. Title 18 of the Montana Code sets forth the procurement and contracting laws applicable.

### **Professional and Technical Costs**

Include the cost of personnel or contracted services for professional services in this category. Examples include the cost of hiring an engineer, researcher, or attorney. These costs must be project-specific. **Provide the unit costs for all professional staff and contracted personnel.**

### **Construction Costs**

These costs include all of the costs of construction: construction contract costs, material purchases, land purchases directly related to the project, and a reasonable contingency. You may include an inflation factor, accounting for any time lapse between project approval and receipt of funding. Identify this cost on the budget forms.

- A. Provide enough information to show clearly how the construction cost estimates were developed. The discussion should describe unit costs where applicable. The costs should relate to the technical narrative or Preliminary Engineering Report.
- B. Provide the preliminary cost estimates used to evaluate the alternatives to the proposed project.
- C. If another application with either greater or lesser project costs represented has been submitted or will be submitted to a funding agency, explain the discrepancy.

## **2. Identify the operation and maintenance costs necessary to support the project in the future. Identify the source of funds you will use to cover these expenses.**

Discuss how you plan to fund the ongoing operation and maintenance of facilities and infrastructure constructed with grant or loan funding.

## **3. Describe the funding structure that ensures the project is financially feasible.**

The information you provide should demonstrate that adequate sources of funds are available to complete the proposed project. Include grants, loans, matching dollars, and in-kind contributions.

- A. Identify matching funds or in-kind contributions that support the project budget.
- B. Identify other sources and amounts of matching dollars.
- C. Identify other sources and amounts of in-kind contributions. Eligible in-kind contributions are those project-specific contributions associated directly with project implementation.
- D. Indicate whether other costs remain undefined at the time of application.

- E. If the funding structure for your project contains uncommitted grant funds, please provide an explanation of how the project could proceed if the uncommitted grants were not realized.

**Important Note:**

The project's scope of work is legislatively approved and the intent of the project must remain intact. A substantial change in the proposed scope of work may result in a change in grant funding for the project.

**4. Provide loan information.**

- A. Will tax revenues be pledged for repayment? If yes, will this be a special tax levy (e.g., a special improvement district) or will it be a pledge of the general taxing authority of the local government?
- B. Will rates and charges be pledged for repayment (e.g., a revenue bond)? If yes, please describe the rates and charges of the system. Include in this discussion information about number of users and the method of calculating the rates (e.g. is it based on quantity of water or on a per hook-up basis). Also, using the last fiscal year's information, what were the total revenues of the system and what was the cost of the operation and maintenance of the system?
- C. Is there any outstanding debt that relies on the same revenues that will be the basis of the DNRC loan? If yes, what is the amount of the debt, what is the remaining term of the debt, and, if possible, please provide a copy of the bond resolution associated with the outstanding debt.
- D. Use a rate of five percent (5%) over a 20-year term to calculate annual debt service payments associated with a Renewable Resource loan. Using this information along with current rate or tax information for the system, discuss the overall financial status of the local government. To be eligible for a below-market rate of interest, the applicant must demonstrate a high financial need.

## Financial Documentation

Submit supporting documentation to provide evidence of the financial feasibility of the proposed project.

- 1. Include copies of estimates used to generate the project budget.**
- 2. If you applied to other funding agencies for grant and/or loan funds for the same project, or you intend to apply for additional funding in the future, provide the following:**
  - A. indication of the date a funding decision is expected, and whether you requested a grant or a loan;
  - B. if funding has been secured, a copy of the notice of award.
- 3. If other agencies, associations, or individuals will provide in-kind or match funding, provide the following information:**
  - A. Copies of correspondence to show the date assistance was requested, the type of assistance (whether matching dollars or in-kind contribution) and the amount, the date a funding decision is expected;
  - B. If funding has been secured, provide copies of correspondence documenting funding commitments and type of funds committed (matching dollars or in-kind contribution);
  - C. If the RRGL grant is providing partial funding, describe how the RRGL grant fits into the overall picture. For example, on a floodplain project where cost of the entire project is \$4 million, and with four different funding entities, describe specifically what the RRGL funds will be used for.

## Instructions for Completing Budget Forms

Complete one set of budget forms to indicate the details of the total estimated project cost. Show only those costs that you will document during project implementation. Include only costs directly related to the project. Do not include costs that will occur whether or not this project is implemented. These programmatic costs may not be included in this budget or attributed to the project, although they may support the project indirectly.

Use one column for each sponsor and for each type of funding (grant or loan). Add more columns if you need them. Place the name of contributors from other sources in the "other" columns. If all sources of funds are not secured, label one column "Unknown." The sum of the totals of each column must add up to the total estimated project cost.

Applicant Name \_\_\_\_\_ Budget Forms for Renewable Resource Projects

**1. Contract Administration**

Date \_\_\_\_\_

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Total
Project manager							
Administrative support							
Benefits							
Legal fees/bond counsel							
Audit fees							
Loan origination fee							
Bond reserve							
<b>Subtotal</b>							
Communications							
Supplies							
Travel							
Rental							
<b>Total Administration</b>							



Applicant Name \_\_\_\_\_ Budget Forms for Renewable Resource Projects

## 2. Professional and Technical Costs

Date \_\_\_\_\_

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Total
Professional/technical							
Professional _____							
Other contracted services							
<b>Subtotal Technical Services</b>							
Indirect costs, please Itemize							
<b>Total Professional &amp; Technical</b>							

Applicant Name \_\_\_\_\_ Budget Forms For Renewable Resource Projects

### 3. Construction Costs

Date \_\_\_\_\_

Category	DNRC Grant	DNRC Loan	Project Sponsor	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Other <i>(Specify)</i>	Total
Labor							
Materials							
Equipment							
Construction contract							
Contingency (10%)							
<b>Total Construction</b>							

### 4. Total Costs

<b>A. Total Administration</b>							
<b>B. Total Professional &amp; Technical</b>							
<b>C. Total Construction</b>							
<b>Total Project Cost</b>							



## Applicant Affordability Data

Complete the following section only if your entity generates revenue through user fees or assessments.

### For Sewer or Water Projects:

	Current	Projected
Number of residential users served by system	_____	_____
Average monthly residential water rate	_____	_____
Average monthly residential sewer rate	_____	_____
Type of billing system used (flat fee or metered)	_____	_____

### For Irrigation Projects:

	Current	Projected
Number of irrigated acres served by system	_____	_____
Annual assessment per acre	_____	_____
or		
Number of acre-feet of water sold annually	_____	_____
Cost of water per acre-foot	_____	_____



## Step 4: Environmental Evaluation

To avoid problems that would cause delays, add significantly to project costs, or even prevent a project from being carried out, all applicants must consider the potential environmental impacts of their projects. Preparation of this document can alert applicants to consideration of location, design, or construction that will help to avoid potential adverse environmental impacts or expensive mitigation or construction costs. A project will not be eligible for funding if it would result in significant adverse impact after mitigation.

### Instructions for Environmental Narrative

Provide a narrative evaluation of the potential environmental impacts for each project alternative, including the preferred alternative. Use the checklist on the following pages as a guide in your consideration of environmental impacts. Your narrative must describe and document the environmental resources of the area affected. Include any environmental assessments or analyses previously completed in addition to the completed environmental checklist.

Applicants must identify the sources consulted for the completion of the Environmental Evaluation. Sources may include studies, plans, documents, or the persons, organizations, or agencies contacted for assistance.

### Instructions for Environmental Checklist

Complete an Environmental Checklist for each project alternative. All applicants must submit the environmental checklist. DNRC will review the comments and prepare its own environmental evaluation to determine whether further information is required.

Five types of impacts may be identified on the form:

- N** - No impact anticipated or not applicable to this project;
- B** - Potentially beneficial impact;
- A** - Potentially adverse impact;
- P** - Agency approval or permits required; and
- M** - Mitigation actions required

A space is provided next to each subject area to list at least one of the above impact types. Describe the impact, or indicate why there is no impact from the project in the “comments” section of this form. When completed on a computer, the form can be expanded to accommodate lengthy comments. An environmental checklist must be completed for each alternative.

If a potentially adverse impact has been identified, indicate if an agency approval or permit may also be required. **Where a potentially adverse impact is identified for the preferred alternative, the applicant must provide the following:**

1. a description and analysis of reasonable alternatives that would avoid the impact and a justification for the selected alternative;
2. a description of short - and/or long-term measures to mitigate the impact and a discussion of the effects of those mitigative measures on the proposed project.

For assistance in preparing the Environmental Checklist, contact DNRC at 444-6668.

## ENVIRONMENTAL CHECKLIST

**Impact Type :** **N** – No impact/not applicable    **B** – Potentially beneficial    **A** – Potentially adverse  
**P** – Agency approval/permits required    **M** – Mitigation required

PHYSICAL ENVIRONMENT	
Impact Type	Resource and Description of Potential Impact to the Resource
	<b>1. Soil suitability, topographic and/or geologic constraints (e.g., soil lump, steep slopes, subsidence, seismic activity)</b> <i>Comments and source of information:</i>
	<b>2. Hazardous facilities (e.g., power lines, hazardous waste sites, acceptable distance from explosive and flammable hazards including chemical/petrochemical storage tanks, underground fuel storage tanks, and related facilities such as natural gas storage facilities and propane storage tanks)</b> <i>Comments and source of information:</i>
	<b>3. Surrounding air quality (e.g., dust, odors, emissions)</b> <i>Comments and source of information:</i>
	<b>4. Groundwater resources and aquifers (e.g., quantity, quality, distribution, depth to groundwater, sole source aquifers)</b> <i>Comments and source of information:</i>
	<b>5. Surface water/water quality, quantity, and distribution (e.g., streams, lakes, storm runoff, irrigation systems, canals)</b> <i>Comments and source of information:</i>
	<b>6. Floodplains and floodplain management (Identify any floodplains within one mile of the boundary of the project.)</b> <i>Comments and source of information:</i>
	<b>7. Wetlands (Identify any wetlands within one mile of the boundary of the project and state potential impacts.)</b> <i>Comments and source of information:</i>
	<b>8. Agricultural lands, production, and farmland protection (e.g., grazing, forestry, cropland, prime or unique agricultural lands) Identify any prime or important farm ground or forest lands within one mile of the boundary of the project.</b> <i>Comments and source of information:</i>



Impact Type	Resource and Description of Potential Impact to the Resource
	<b>9. Vegetation and wildlife species and habitats, including fish (e.g., terrestrial, avian, and aquatic life and habitats)</b> <i>Comments and source of information:</i>
	<b>10. Unique, endangered, fragile, or limited environmental resources, including endangered species (e.g., plants, fish, or wildlife)</b> <i>Comments and source of information:</i>
	<b>11. Unique natural features (e.g., geologic features)</b> <i>Comments and source of information:</i>
	<b>12. Access to, and quality of, recreational and wilderness activities, public lands and waterways, and public open space</b> <i>Comments and source of information:</i>
<b>HUMAN POPULATION</b>	
	<b>1. Visual quality – coherence, diversity, compatibility of use and scale, aesthetics</b> <i>Comments and source of information:</i>
	<b>2. Nuisances (e.g., glare, fumes)</b> <i>Comments and source of information:</i>
	<b>3. Noise – suitable separation between housing and other noise-sensitive activities and major noise sources (aircraft, highways, and railroads)</b> <i>Comments and source of information:</i>
	<b>4. Historic properties, cultural, and archaeological resources</b> <i>Comments and source of information:</i>
	<b>5. Changes in demographic (population) characteristics (e.g., quantity, distribution, density)</b> <i>Comments and source of information:</i>
	<b>6. General housing conditions – quality, quantity, affordability</b> <i>Comments and source of information:</i>

Impact Type	Resource and Description of Potential Impact to the Resource
	<b>7. Businesses or residents (for example, loss of, displacement, or relocation)</b> <i>Comments and source of information:</i>
	<b>8. Public health and safety</b> <i>Comments and source of information:</i>
	<b>9. Local employment – quantity or distribution of employment, economic impact</b> <i>Comments and source of information:</i>
	<b>10. Income patterns – economic impact</b> <i>Comments and source of information:</i>
	<b>11. Local and state tax base and revenues</b> <i>Comments and source of information:</i>
	<b>12. Educational facilities – schools, colleges, universities</b> <i>Comments and source of information:</i>
	<b>13. Commercial and industrial facilities – production and activity, growth or decline</b> <i>Comments and source of information:</i>
	<b>14. Health care – medical services</b> <i>Comments and source of information:</i>
	<b>15. Social services – governmental services (e.g., demand on)</b> <i>Comments and source of information:</i>
	<b>16. Social structures and mores (standards of social conduct/social conventions)</b> <i>Comments and source of information:</i>
	<b>17. Land use compatibility (e.g., growth, land use change, development activity, adjacent land uses, and potential conflicts)</b> <i>Comments and source of information:</i>

Impact Type	Resource and Description of Potential Impact to the Resource
	<p><b>18. Energy resources – consumption and conservation</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>19. Solid waste management</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>20. Wastewater treatment – sewage system</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>21. Storm water – surface drainage</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>22. Community water supply</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>23. Public safety – police</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>24. Fire protection – hazards</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>25. Emergency medical services</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>26. Parks, playgrounds, and open space</b></p> <p><i>Comments and source of information:</i></p>

Impact Type	Resource and Description of Potential Impact to the Resource
	<p><b>27. Cultural facilities, cultural uniqueness, and diversity</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>28. Transportation networks and traffic flow conflicts (e.g., rail; auto, including local traffic; airport runway clear zones – avoidance of incompatible land use in airport runway clear zones)</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>29. Consistency with local ordinances, resolutions, or plans (e.g., conformance with local comprehensive plans, zoning, or capital improvement plans)</b></p> <p><i>Comments and source of information:</i></p>
	<p><b>30. Private property rights – Is there a regulatory action or project activity that reduces, minimizes, or eliminates the use of private property?</b></p> <p><i>Comments and source of information:</i></p>



## Step 5: Project Management Plan

Effective planning and management are essential components of successful project implementation. DNRC is interested in knowing how you plan to control management issues that are keys to successful project implementation. For example, what controls will you implement to ensure that subcontractors will maintain the project schedule and provide timely and accurate progress reporting? What steps will you take to integrate public involvement throughout the project? The outline for the Project Management Narrative addresses the management issues that DNRC will consider in evaluating the feasibility of your project. Applications that do not address the project management components listed below may be ineligible for consideration.

### Instructions for Project Management Narrative

Discuss how you will implement this project from funding through project completion. Use the outline below to organize your presentation. This outline is not all-inclusive; you may wish to address other topics. To complete this section, 450 words or less should be sufficient.

**On your own paper, use the following format for your narrative.**

#### **Project Management Narrative**

**Applicant Name** \_\_\_\_\_

**Project Title** \_\_\_\_\_

**Narrative Discussion:**

### Outline for Project Management Narrative

1. Identify staff requirements necessary for successful project management. Discuss how you plan to meet those requirements. If possible, identify the members of your project management team including any consultants who will provide project management services.
2. Discuss procurement procedures and requirements related to your project.
3. Discuss any coordination activities with other local, state, or federal agencies necessary to implement the project.
4. Discuss how you plan to integrate public input throughout project implementation.
5. Describe the measures you will take to manage consultants who are responsible for completing major project tasks. Discuss the steps you will take throughout project implementation to remain current on the status of consultant activities as project tasks are completed.

## Step 6: Technical Presentation

Describe the work to be done with Renewable Resource Grant and Loan Program funds and with any matching funds committed to the project. Be careful to distinguish phases of the project that are completed before or after the term of the grant. Do not confuse tasks associated with past or future phases with the tasks of the proposed project. Discuss past phases or phases currently under way only as part of the history of your project.

For example, suppose an irrigation district is taking steps to improve irrigation infrastructure and is seeking funding to line irrigation canals. Currently, the district is installing new headgates on its main canal; in the future the district plans to install measuring devices. In this scenario, the project proposal concerns **only** the canal-lining project. The applicant should discuss the technical merits of only the lining phase of the project.

### Instructions for Technical Narrative

**Use the Outline for Technical Narrative** to organize your presentation and to ensure that nothing is omitted from your discussion.

Explain the existing situation and the problem. Then describe the problem and why the preferred alternative was chosen as the solution. Also discuss specific tasks that will be carried out through project implementation. Finally, describe any appropriate alternative solutions to the problem and discuss why these solutions were ruled out in favor of the preferred alternative. Enough information is needed to accurately assess the technical feasibility of your project.

**On your own paper, use the following format for your narrative.**

<p style="text-align: center;"><b>Technical Narrative</b></p> <p><b>Applicant Name</b> _____</p> <p><b>Project Title</b> _____</p> <p><b>Narrative Discussion:</b></p>
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### Outline for Technical Narrative

This Outline for Technical Narrative addresses the topics that DNRC considers in evaluating the technical feasibility of your project. Projects not technically feasible will be ineligible for consideration. This outline is not all-inclusive; you may wish to address other topics. This

description must provide sufficient detail to verify that the project is technically feasible and will achieve its objectives. This information will be used as the scope of work for a grant agreement.

**It is important that all basic information requested in the Outline for Technical Narrative and the Environmental Assessment be provided in the main text of the application, not in the appendices. Appendices should provide ancillary supporting information and should not serve as the primary source of that information. If critical information is buried in the appendices, it might not receive due consideration in the grant evaluation.**

**1. Project identification.**

- Identify the physical location of the project including longitude and latitude coordinates. Provide a map that displays the relationship of the proposed project to the larger scale watershed, region, or resource that stands to benefit from this project.
- Identify the type of project (for example, research, planning, design, construction, etc.).
- Specifically describe the problem this project will address.

**2. Discuss the project history, and describe all related work previously conducted.**

- Discuss the circumstances that precipitated need for the project.
- Discuss ongoing or past efforts made to address the problem or achieve the proposed purpose.
- Identify related facilities, programs, or other resources that exist in support of the project. For example, explain if your project is part of a watershed plan and how the plan prioritized this project.

**3. Describe the purpose of the project.**

- The purpose should be related to the Renewable Resource Grant and Loan Program's objectives: implementing management activities that accomplish the conservation, development, or protection of a renewable resource.
- The project may include more than one objective. For instance, a project may propose to improve wildlife habitat, restore riparian habitat, conduct stream restoration, and improve fisheries habitat. Each of these objectives must be addressed and analyzed in the application.
- Describe specific tasks and how you intend to implement the project. For construction projects, for example, describe each phase of construction, including planning or design that must be completed before construction. For environmental restoration projects, describe the tasks proposed to move from the current condition to the desired future condition.

**4. Describe the current condition of the renewable resource to be addressed by the project. Describe what data currently exists and how it relates to understanding the current condition of renewable resources to be addressed by the project. Provide documentation where appropriate.**



Describe underlying causes of the current condition.

- What are identified and potential causes of the problem? Of these, what are limiting factors – those factors most responsible for the current condition?
- Which of these factors have been quantified and to what degree? Describe any uncertainty about the importance of these factors.

**5. Describe the desired outcome.** Describe in detail what changes are desired in the current condition and what the condition will be when the project has achieved its objectives (use qualitative as well as quantitative descriptions where possible).

- Which factors contributing to the current condition will and will not be addressed by the proposed project and to what degree?
- How will these affect desired results?

**6. Describe the alternatives that will accomplish the same or substantially similar goals as that of the proposed project.** These alternatives could accomplish the goals of the proposed project, but in a different way, under a different time frame, or with different costs and benefits. A discussion of a minimum of two alternatives is required. Include the no action alternative (i.e., natural recovery), if it would accomplish project goals. Examples of alternatives for typical projects include:

- For a dam rehabilitation project: Address alternative ways to rehabilitate the outlet conduit, such as slip lining vs. replacement.
- For a revegetation project: Address different levels of plantings, such as planting 50 acres of a riparian area with trees and shrubs compared to planting only 25 acres, or planting seeds only.
- For a stream restoration project: Address different levels of stream restoration from those that strictly involve changes in land use practices and fencing to those that involve major stream channel reconstruction. Consider the choice of working on one section of the stream vs. multiple sections of the stream (e.g., reconstructing five miles of stream over two years for \$1 million, or alternatively reconstructing only 2.5 miles of the most impaired parts of the stream over one year for \$500,000).

**7. Compare the costs and benefits of each alternative and the reasons for selection of the preferred alternative.** Descriptions of each alternative do not have to be as detailed as the description of the preferred alternative. But sufficient information must be provided to demonstrate that the alternatives were investigated and that the proposed alternative provides either greater resource benefits at the same or similar costs or similar resource benefits at a lower cost. If costs and benefits of the project cannot be quantified, provide a narrative discussion of the cost and benefits.

A present worth analysis for a reasonable useful project life is recommended for capital improvement projects.

**8. Provide a specific description of the project implementation plan.**

- Describe the overall approach to project implementation.
- Identify each of the project phases, and the specific tasks comprising each phase, and then relate them to the project's purpose.
- Identify project staff for the particular tasks and quantify staffing time necessary to complete the project.
- Identify contracted services necessary to complete the project.
- Identify all permits, regulatory approvals, or easements necessary to complete the project.
- Indicate whether the project is a phase of a larger project for which additional funding is needed and, if so, the targeted funding sources.
- Describe the measures that will be undertaken to ensure long-term effectiveness (e.g., implementing a grazing plan to reduce impacts to riparian areas).

**9. Provide a project time schedule.**

**10. Provide supporting technical documentation.**

- Provide information on the natural features of the project area, such as soils, vegetation, and hydrology.
- Include any draft and/or completed technical reports and studies related to the project.
- Provide a topographic map or aerial photo that shows the project location by sections, townships, and ranges. (Show titles on all maps, and include both a scale and a north arrow.)
- Identify all applicable statutes, rules, regulations, and standards to be met.

# Step 7: Resource and Citizen Benefits

## Instructions for Resource and Citizen Benefits Narrative

Use the Outline for the Resource and Citizen Benefits Narrative on the following page to organize your presentation. The narrative should contain information sufficient for the DNRC to determine whether and to what extent a project actually enhances a renewable resource. Describe how the project achieves the benefits as described in statute. Grant proposals are ranked according to the renewable resource benefits that will result from project implementation. Projects that achieve the greatest benefits to renewable resources tend to rank the highest for funding purposes. A project that benefits health and safety, for example, would not be ranked high compared to other projects unless it also provided the benefits prescribed in Title 85, Chapter 1, Part 602, MCA. Please see the statute below.

Project reviewers need enough information to determine whether the benefits claimed in your proposal can be measured and are actually attainable. Quantify expected benefits where possible. Projects having anticipated measurable results tend to rank higher when compared to projects with indeterminate benefits.

If you have completed objective studies that assess your project and its potential benefits, provide copies of these studies as attachments. If you have not conducted a formal benefit analysis, describe the process you used to assess and, if possible, quantify the benefits of your project.

### **85-1-602, MCA**

- (1) *Objectives: The department [of Natural Resources and Conservation] shall administer a renewable resource grant and loan program to enhance Montana's renewable resources through projects that measurably conserve, develop, manage, or preserve resources. Either grants or loans may be provided to fund the following:*
  - (a) *feasibility, design, research, and resource assessment studies;*
  - (b) *preparation of construction, rehabilitation, or production plans; and*
  - (c) *construction, rehabilitation, production, education, or other implementation efforts.*
- (2) *Projects that may enhance renewable resources in Montana include but are not limited to:*
  - (a) *development of natural resource-based recreation;*
  - (b) *development of offstream and tributary storage;*
  - (c) *improvement of water use efficiency, including development of new, efficient water systems, rehabilitation of older, less efficient water systems, and acquisition and installation of measuring devices required under 85-2-113; and development of state, tribal, federal, water projects;*
  - (d) *water-related projects that improve water quality, including livestock containment facility projects;*
  - (e) *advancement of farming practices that reduce agricultural chemical use; and*
  - (f) *projects that facilitate the use of alternative renewable energy sources as defined in 15-6-225.*
- (3) *The renewable resource grant and loan program is the key implementation portion of the state water plan and must be administered to encourage grant and loan applications for projects designed to accomplish the objectives of the plan.*

## Resource and Citizen Benefits Narrative

Applicant Name \_\_\_\_\_

Project Title \_\_\_\_\_

Narrative Discussion:

### Outline for Resource and Citizen Benefits Narrative

The outline below addresses the topics that DNRC will consider in evaluating the renewable resource benefits of your project. This outline is not all-inclusive; you may wish to address other topics. **Information provided in response to this part of the application will count for 60 percent of the project's total points in ranking.** Studies will be assessed on the basis of the potential benefits that would occur from actions taken as a result of the knowledge or understanding gained from the study.

1. Describe how the project will enhance renewable resources in Montana. Be specific and quantify benefits when possible. Refer to the broad renewable resource benefits eligible for RRGL funding listed at the end of this section.
2. Describe how the renewable resource project will contribute to economic development in Montana or help existing businesses. Be specific and quantify when possible. For example, how would the project result in increased employment, attract more tourists, grow value-added crops, improve the balance of trade, or restore resources that support an economic concern?
3. Describe how the project is coordinated with ongoing or planned actions. For example, is the project included in the state water plan? Or is the project prioritized in a watershed plan? Or is the project coordinated with a transportation project?
4. Indicate whether the project has multiple-use benefits. For example, does a stream bank restoration project have fisheries benefits? Or does a dam rehabilitation project have irrigation and recreation benefits?
5. Include documentation of public support such as letters and public meeting minutes. Letters of support must be specific to the proposal submitted. The DNRC will not recognize letters of support for past proposals.
6. For research projects or studies, describe how increased understanding of a renewable resource will benefit Montana citizens.

## Renewable Resource Benefits Eligible for RRGL Funding {85-1-602(1), MCA}

The RRGL program funds projects that conserve, protect, or develop natural resources such as water (streams, rivers, lakes, groundwater, wetlands), fisheries, wildlife, rangeland, wind, soil, desired vegetation, biomass (biological material which can be used as fuel), timber, biodiversity, and other renewable resources. **Projects must implement resource management activities that accomplish one or more of the following objectives:**

### **Resource conservation**

Promote efficient and/or sustainable use of a renewable resource.

### **Resource preservation**

Protect renewable resources from pollution, destruction, or neglect.

### **Resource development**

Develop new beneficial and sustainable use of a renewable resource.

Development activities funded under this program cannot significantly diminish the quality of existing natural resources.

